

UNITED STATES DEPARTMENT OF COMMERCE  
UNDER SECRETARY FOR INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230

\_\_\_\_\_  
In the Matter of: )  
)  
Phaedon Nicholas Criton Constan-Tatos )  
(a.k.a. Fred Tatos) )  
Suburban Guns (Pty) Ltd. )  
119 Main Road ) 05-BIS-01  
P.O. Box 30 )  
Plumstead 7800 )  
Cape Town, South Africa )  
)  
\_\_\_\_\_  
Respondent. )

DECISION AND ORDER

This matter is before me upon a Recommended Decision and Order of an Administrative Law Judge (“ALJ”), as further described below.

In a Charging Letter filed on January 28, 2005, the Bureau of Industry and Security (“BIS”) alleged that respondent Phaedon Nicholas Criton Constan-Tatos a.k.a. Fred Tatos (“Tatos”) committed five violations of the Export Administration Regulations (the “Regulations”)<sup>1</sup>, issued under the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (the “Act”).<sup>2</sup> Specifically, BIS alleged that Tatos

<sup>1</sup> The charged violations occurred in 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations. 15 C.F.R. Parts 730-774 (2000). The 2005 Regulations establish the procedures that apply to this matter.

<sup>2</sup> From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17,

committed two violations of Section 764.2(a), two violations of Section 764.2(e), and one violation of Section 764.2(k) of the Regulations. The Charging Letter alleged that, in violation of a denial of export privileges imposed against Suburban Guns (Pty) Ltd. (“Suburban Guns”) by BIS on April 1, 1998,<sup>3</sup> Tatos twice facilitated the acquisition by Suburban Guns of shotgun screw chokes, choke tubes, and barrels, which are classified under Export Control Classification Number (“ECCN”) 0A984, and of other shotgun accessories, which are designated as EAR99 items, from U.S. companies.<sup>4</sup> The Charging Letter further alleged that Tatos committed these acts in violation of the Denial Order imposed against Suburban Guns with knowledge that violations of an Order issued under the Act and the Regulations would occur. Finally, the Charging Letter alleged that Tatos made a false representation to an official of BIS during BIS’s investigation of this case when he stated in an e-mail communication to a BIS Office of Export Enforcement Special Agent that Suburban Guns had not imported any items from the United States since the imposition of the Denial Order against it.

BIS’s Charging Letter was served by certified mail on Tatos on January 28, 2005, and received on or about February 11, 2005. Tatos did not file an answer to BIS’s Charging Letter with the ALJ.

On August 4, 2005, BIS filed a Motion for Default with the ALJ, recommending that Tatos be denied export privileges for a period of five years and that Tatos be required

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2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 2, 2005 (70 Fed. Reg. 45273, Aug. 5, 2005), has continued the Regulations in effect under IEEPA.

<sup>3</sup> *Action Affecting Export Privileges; Suburban Guns (Pty) Ltd.*, 63, Fed. Reg. 15,828 (Apr. 1, 1998).

<sup>4</sup> EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

to pay a \$55,000 penalty. Thereafter, on September 21, 2005, based on the record before it, the ALJ issued a Recommended Decision and Order in which he found that Tatos committed five violations of the Regulations and recommended the penalty proposed by BIS – denial of Tatos’ export privileges for five years and imposition of a \$55,000 penalty against Tatos.

The ALJ’s Recommended Decision and Order, together with the entire record in this case, has been referred to me for final action under Section 766.22 of the Regulations. I find that the record supports the ALJ’s findings of fact and conclusions of law regarding the liability of Tatos for the above-referenced charges. I also find that the penalty recommended by the ALJ is appropriate, given the nature of the violations and the importance of preventing future unauthorized exports. Based on my review of the entire record, I affirm the findings of fact and conclusions of law in the ALJ’s Recommended Decision and Order.

ACCORDINGLY, IT IS THEREFORE ORDERED,

FIRST, that a civil penalty of \$55,000 is assessed against Phaedon Nicholas Criton Constan-Tatos a.k.a. Fred Tatos (“Tatos”), which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Tatos will be assessed, in addition to the full amount of the civil

penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Tatos. Accordingly, if Tatos should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Tatos' export privileges for a period of one year from the date of entry of this Order.

FOURTH, that, for a period of five years from the date of this Order, Phaedon Nicholas Criton Constan-Tatos a.k.a. Fred Tatos 119 Main Road, P.O. Box 30, Plumstead 7800, Cape Town, South Africa, and when acting for or on behalf of Tatos, his representatives, agents, assigns, and employees ("Denied Person"), may not, directly or indirectly, participate in any way in any transaction involving any commodity, software or technology (hereinafter collectively referred to as "item") exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations, including, but not limited to:

- A. Applying for, obtaining, or using any license, License Exception, or export control document;
- B. Carrying on negotiations concerning, or ordering, buying, receiving, using, selling, delivering, storing, disposing of, forwarding, transporting, financing, or otherwise servicing in any way, any transaction involving any item exported or to be exported from the United States that

is subject to the Regulations, or in any other activity subject to the Regulations; or

C. Benefiting in any way from any transaction involving any item exported or to be exported from the United States that is subject to the Regulations, or in any other activity subject to the Regulations.

FIFTH, that no person may, directly or indirectly, do any of the following:

A. Export or reexport to or on behalf of the Denied Person any item subject to the Regulations;

B. Take any action that facilitates the acquisition or attempted acquisition by the Denied Person of the ownership, possession, or control of any item subject to the Regulations that has been or will be exported from the United States, including financing or other support activities related to a transaction whereby the Denied Person acquires or attempts to acquire such ownership, possession or control;

C. Take any action to acquire from or to facilitate the acquisition or attempted acquisition from the Denied Person of any item subject to the Regulations that has been exported from the United States;

D. Obtain from the Denied Person in the United States any item subject to the Regulations with knowledge or reason to know that the item will be, or is intended to be, exported from the United States; or

E. Engage in any transaction to service any item subject to the Regulations that has been or will be exported from the United States and that is owned, possessed or controlled by the Denied Person, or service

any item, of whatever origin, that is owned, possessed or controlled by the Denied Person if such service involves the use of any item subject to the Regulations that has been or will be exported from the United States. For purposes of this paragraph, servicing means installation, maintenance, repair, modification or testing.

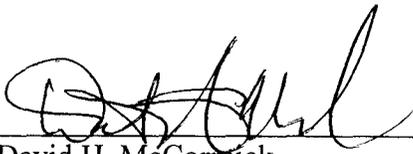
SIXTH, that, after notice and opportunity for comment as provided in Section 766.23 of the Regulations, any person, firm, corporation, or business organization related to the Denied Person by affiliation, ownership, control, or position of responsibility in the conduct of trade or related services may also be made subject to the provisions of this Order.

SEVENTH, that this Order does not prohibit any export, re-export or other transaction subject to the Regulations where the only items involved that are subject to the Regulations are the foreign-produced direct product of U.S.-origin technology.

EIGHTH, that this Order shall be served on the Respondent and on BIS, and shall be published in the *Federal Register*. In addition, the ALJ's Recommended Decision and Order, except for the section related to the Recommended Order, shall be published in the *Federal Register*.

This Order, which constitutes the final agency action in this matter, is effective upon publication in the *Federal Register*.

Dated: 10.20.05

  
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David H. McCormick  
Under Secretary for Industry and Security

**UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF INDUSTRY AND SECURITY  
WASHINGTON, D.C. 20230**

_____ )	
In the Matter of: )	Docket No. 05-BIS-01
Phaedon Nicholas Criton Constan-Tatos )	
(a.k.a. Fred Tatos) )	
Suburban Guns (Pty) Ltd. )	
119 Main Road )	
P.O. Box 30 )	
Plumstead 7800 )	
Cape Town, South Africa )	
Respondent )	
_____ )	

**RECOMMENDED DECISION AND ORDER**

On January 28, 2005, the Bureau of Industry and Security, U.S. Department of Commerce (hereinafter, "BIS"), issued a charging letter initiating this administrative enforcement proceeding against Phaedon Nicholas Criton Constan-Tatos (a.k.a. Fred Tatos) (hereinafter, "Tatos"). The charging letter alleged that Tatos committed five (5) violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-74 (2005)) ("the Regulations"),<sup>1</sup> issued under the Export Administration Act of 1979, as amended.<sup>2</sup>

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<sup>1</sup> The charged violations occurred in 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-74 (2000)). The 2005 Regulations establish the procedures that apply to this matter.

<sup>2</sup> Sections 50 U.S.C. §§ 2401-2420 (2000) (hereinafter, "the Act"). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-06 (2000)) (hereinafter, "IEEPA"). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since

Specifically, the charging letter alleged that Tatos violated the Denial Order imposed against Suburban Guns (Pty) Ltd. by placing an order on or about February 2, 2000, with a U.S. company for shotgun screw chokes, choke tubes, and other accessories, which were exported to Suburban Guns (Pty) Ltd. on or about March 1, 2000 (Charge 1). The charging letter also alleged that Tatos violated Suburban Guns (Pty) Ltd.'s Denial Order by placing an additional order on or about March 29, 2000, with a U.S. company for shotgun barrels and screw chokes, which were exported to Suburban Guns (Pty) Ltd. on or about March 30, 2000 (Charge 3). Pursuant to the Denial Order imposed against Suburban Guns (Pty) Ltd., Tatos was prohibited from facilitating the acquisition of any item subject to the Regulations that was exported or to be exported from the United States. *See Action Affecting Export Privileges; Suburban Guns (Pty) Ltd.*, 63 Fed. Reg. 15828 (Apr. 1, 1998). The BIS charging letter also alleged that, in both exports described above, Tatos ordered and purchased the items with knowledge that violations of an Order issued under the Act and the Regulations would occur (Charges 2 and 4). Finally, the BIS charging letter alleged that, on or about October 28, 2004, Tatos made a false representation to an official of BIS in the course of a BIS investigation (Charge 5).

Section 766.3(b)(1) of the Regulations provides that notice of issuance of a charging letter shall be served on a respondent by mailing a copy by registered or certified mail addressed to the respondent at the respondent's last known address. In accordance with the Regulations, on January 28, 2005, BIS mailed the notice of issuance of a charging letter by certified mail to Tatos at: Phaedon Nicholas Criton Constan-Tatos

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August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 2, 2005 (70 Fed. Reg. 45,273 (August 5, 2005)), has continued the Regulations in effect under IIEPA.

(a.k.a. Fred Tatos), Suburban Guns (Pty) Ltd. 119 Main Road, P.O. Box 30, Plumstead 7800, Cape Town, South Africa. BIS has submitted evidence that establishes that this charging letter was received by Suburban Guns (Pty) Ltd. on or about February 11, 2005. These actions constitute service under the Regulations.

Section 766.6(a) of the Regulations provides, in pertinent part, that “[t]he respondent must answer the charging letter within thirty (30) days after being served with notice of issuance of the charging letter” initiating the administrative enforcement proceeding. To date, Tatos has not filed an answer to the charging letter.

Pursuant to the default procedures set forth in Section 766.7 of the Regulations, I find the facts to be as alleged in the charging letter, and hereby determine that those facts establish Tatos committed two violations of Section 764.2(e), one violation of Section 764.2(g), and two violations of Section 764.2(k) of the Regulations.

Section 764.3 of the Regulations sets forth the sanctions BIS may seek for violations of the Regulations. The applicable sanctions are: (1) a monetary penalty; (2) suspension from practice before the Department of Commerce; and (3) denial of export privileges under the Regulations. *See* 15 C.F.R. § 764.3 (2005). Because Tatos knowingly violated the Regulations by violating the Denial Order imposed against Suburban Guns (Pty) Ltd. and made a false representation to an official of BIS in the course of the investigation of these circumstances, BIS requests that I recommend to the Undersecretary of Commerce for Industry and Security<sup>3</sup> that Suburban Guns (Pty) Ltd.’s

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<sup>3</sup> Pursuant to Section 13(c)(1) of the Export Administration Act and Section 766.17(b)(2) of the Regulations, in export control enforcement cases, the Administrative Law Judge makes recommended findings of fact and conclusions of law that the Under Secretary must affirm, modify or vacate. The Under Secretary’s action is the final decision for the U.S. Commerce Department.

export privileges be denied for five (5) years, and that I impose a civil penalty of fifty-five thousand dollars (\$55,000).

BIS has suggested these sanctions because Tatos' actions, in twice violating a Denial Order imposed against Suburban Guns (Pty) Ltd., doing so with knowledge that a violation of the Regulations was occurring, and making a false representation to an official of BIS investigating these circumstances evidence a blatant disregard for U.S. export control laws. Further, BIS believes that denying Tatos' export privileges in this case is not a sufficient deterrent to Tatos, as evidenced by his willingness to violate the denial order in effect against Suburban Guns (Pty) Ltd. In light of these circumstances, BIS believes that appropriate sanction is the denial of Tatos' export privileges for five (5) years and a civil penalty of fifty-five thousand dollars (\$55,000).

On this basis, I concur with BIS and recommend that the Under Secretary enter an Order denying Tatos' export privileges for a period of five (5) years and requiring Tatos to pay a civil penalty in the amount of fifty-five thousand dollars (\$55,000). These penalties are consistent with penalties imposed in recent cases under the Regulations involving violations of denial orders. *In the Matters of Yaudat Mustafa Talyi a.k.a. Yaudat Mustafa a.k.a. Joseph Talyi, 41 Chamale Cove East, Slidell, Louisiana 70460, Respondents; Decision and Order*, 69 Fed. Reg. 77,177 (Dec. 27, 2004) (affirming the ALJ's recommendations that a twenty year denial and maximum civil penalty of \$11,000 per violation was appropriate where an individual exported oil field parts to Libya without authorization, in violation of the terms and conditions of a BIS order temporarily denying his export privileges and with knowledge that a violation would occur; and solicited a violation of the Regulations by ordering oil field parts from an equipment

manufacturer located in the United States without authorization and with knowledge that a violation would occur). A five (5) year denial of Tatos' export privileges is warranted because Tatos' violations, like those of the defendants in the above-cited case, were deliberate acts in violation of an order denying export privileges.

**RECOMMENDED ORDER**

**[REDACTED]**

**[REDACTED]**

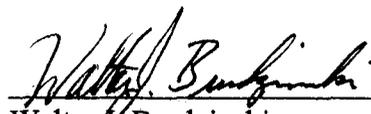
**[REDACTED]**

[REDACTED]

Accordingly, I am referring this Recommended Decision and Order to the Under Secretary of Commerce for Industry and Security for review and final action for the agency, without further notice to the respondent, as provided in Section 766.7 of the Regulations.

Within thirty (30) days after receipt of this Recommended Decision and Order, the Under Secretary will issue a written order affirming, modifying or vacating the Recommended Decision and Order. *See* 15 C.F.R. § 766.22(c).

Done and dated this 21<sup>st</sup> day of September 2005  
New York, NY

  
\_\_\_\_\_  
Walter J. Brudzinski  
Administrative Law Judge  
U. S. Coast Guard

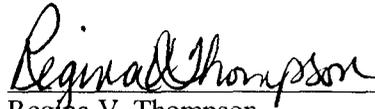
Certificate of Service

I hereby certify that I have served the foregoing RECOMMENDED DECISION & ORDER by Federal Express to the following persons:

Under Secretary for Export Administration  
Bureau of Industry and Security  
U.S. Department of Commerce  
Room H-3839  
14<sup>th</sup> & Constitution Avenue, N.W.  
Washington, D.C. 20230  
Phone: 202-482-5301

ALJ Docketing Center, Baltimore  
40 S. Gay Street, Room 412  
Baltimore, Maryland 21202-4022  
Phone: 410-962-7434

Done and dated this 21<sup>st</sup> day of September, 2005 at  
New York, NY



Regina V. Thompson  
Paralegal Specialist, Assistant to the  
Administrative Law Judge

JAN 28 2005



**COPY**  
**UNITED STATES DEPARTMENT OF COMMERCE**  
**Bureau of Industry and Security**  
Washington, D.C. 20230

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Phaedon Nicholas Criton Constan-Tatos  
(a.k.a. Fred Tatos)  
Suburban Guns (Pty) Ltd.  
119 Main Road  
P.O. Box 30  
Plumstead 7800  
Cape Town, South Africa

RECEIVED  
FRONT DESK  
2005 JAN 31 P 3:22  
ALJ-BALTIMORE, MD

Dear Mr. Constan-Tatos:

The Bureau of Industry and Security, U.S. Department of Commerce ("BIS"), has reason to believe that Phaedon Nicholas Criton Constan-Tatos (a.k.a. "Fred Tatos"), acting as the Managing Director of Suburban Guns (Pty) Ltd. of Cape Town, South Africa, in his individual capacity ("Tatos") committed five violations of the Export Administration Regulations (the "Regulations"),<sup>1</sup> which are issued under the authority of the Export Administration Act of 1979 (the "Act").<sup>2</sup> Specifically, BIS charges that Tatos has committed the following violations:

**Charge 1 (15 C.F.R. § 764.2(k) - Acting Contrary to the Terms of a Denial Order)**

From on or about February 2, 2000 through on or about March 1, 2000, Tatos, as Managing Director of Suburban Guns (Pty) Ltd., took action prohibited by a U.S. Commerce Department

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<sup>1</sup> The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2004). The violations charged occurred during 2000. The Regulations governing the violations at issue are found in the 2000 version of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (2000)). The 2004 Regulations govern the procedural aspects of this case.

<sup>2</sup> 50 U.S.C. app. §§ 2401- 2420 (2000). From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which was extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1706 (2000)) ("IEEPA"). On November 13, 2000, the Act was reauthorized by Pub. L. No. 106-508 (114 Stat. 2360 (2000)) and it remained in effect through August 20, 2001. Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), which has been extended by successive Presidential Notices, the most recent being that of August 7, 2003 (68 *Fed. Reg.* 47833, August 11, 2003), continues the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://www.access.gpo.gov/bis/>.



Phaedon Nicholas Criton Constan-Tatos  
(a.k.a. Fred Tatos)  
Charging Letter  
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Denial Order imposed against Suburban Guns (Pty) Ltd. *See Action Affecting Export Privileges; Suburban Guns (PTY) Ltd.*, 63 Fed. Reg. 15828 (Apr. 1, 1998). This Denial Order prohibited Suburban Guns (Pty) Ltd. from participating in any transaction involving any item exported or to be exported from the United States that is subject to the Regulations until July 25, 2007. On or about February 2, 2000, Suburban Guns (Pty) Ltd. placed an order with a U.S. company in Houston, Texas for shotgun screw chokes and choke tubes, which are classified under Export Control Classification Number ("ECCN") 0A984, and other shotgun accessories, which are designated as EAR99 items<sup>3</sup> (collectively referred to hereinafter as "shotgun parts and accessories"). These items were exported to Suburban Guns (Pty) Ltd. in South Africa on or about March 1, 2000. As the Managing Director of Suburban Guns (Pty) Ltd., Tatos violated the terms of Suburban Guns (Pty) Ltd.'s Denial Order by taking action that facilitated the acquisition by Suburban Guns (Pty) Ltd. of the ownership of items subject to the Regulations that were to be exported from the United States. In so doing, Tatos committed one violation of Section 764.2(k) of the Regulations.

**Charge 2 (15 C.F.R. § 764.2(e) - Acting with Knowledge of a Violation)**

From on or about February 2, 2000 through on or about March 1, 2000, in connection with the transaction described in Charge 1, above, as the Managing Director of Suburban Guns (Pty) Ltd., Tatos took action that facilitated the purchase by Suburban Guns (Pty) Ltd. of shotgun parts and accessories that were exported from the United States with knowledge that a violation of an Order issued under the Act and the Regulations would occur. Specifically, Tatos had knowledge that a violation of the Denial Order would occur because Tatos and Suburban Guns (Pty) Ltd. appealed the Denial Order imposed against Suburban Guns (Pty) Ltd. in 1998. Tatos, with the knowledge that a violation of the Denial Order imposed against Suburban Guns (Pty) Ltd. was occurring, ordered and bought from a U.S. company items subject to the Regulations, to be exported from the United States. In so doing, Tatos committed one violation of Section 764.2(e) of the Regulations.

**Charge 3 (15 C.F.R. § 764.2(k) - Acting Contrary to the Terms of a Denial Order)**

From on or about March 29, 2000 through on or about March 30, 2000, Tatos, as Managing Director of Suburban Guns (Pty) Ltd., took action prohibited by a U.S. Commerce Department Denial Order imposed against Suburban Guns (Pty) Ltd. *See Action Affecting Export Privileges; Suburban Guns (PTY) Ltd.*, 63 Fed. Reg. 15828 (Apr. 1, 1998). This Denial Order prohibited

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<sup>3</sup> EAR99 is a designation for items subject to the Regulations but not listed on the Commerce Control List.

Phaedon Nicholas Criton Constan-Tatos  
(a.k.a. Fred Tatos)  
Charging Letter  
Page 3

Suburban Guns (Pty) Ltd. from participating in any transaction involving any item exported or to be exported from the United States that is subject to the Regulations until July 25, 2007. On or about March 29, 2000, Suburban Guns (Pty) Ltd. placed an order with a U.S. company in Houston, Texas for shotgun barrels and screw chokes, which are classified under ECCN 0A984. These items were exported to Suburban Guns (Pty) Ltd. in South Africa on or about March 30, 2000. As the Managing Director of Suburban Guns (Pty) Ltd., Tatos violated the terms of Suburban Guns (Pty) Ltd.'s Denial Order by taking action that facilitated the acquisition by Suburban Guns (Pty) Ltd. of the ownership of items subject to the Regulations that were to be exported from the United States. In so doing, Tatos committed one violation of Section 764.2(k) of the Regulations.

**Charge 4 (15 C.F.R. § 764.2(e) - Acting with Knowledge of a Violation)**

From on or about March 29, 2000 through on or about March 30, 2000, in connection with the transaction described in Charge 3, above, as the Managing Director of Suburban Guns (Pty) Ltd., Tatos took action that facilitated the purchase by Suburban Guns (Pty) Ltd. of shotgun barrels and screw chokes that were exported from the United States with knowledge that a violation of an Order issued under the Act and the Regulations would occur. Specifically, Tatos had knowledge that a violation of the Denial Order would occur because Tatos and Suburban Guns (Pty) Ltd. appealed the Denial Order imposed against Suburban Guns (Pty) Ltd. in 1998. Tatos, with the knowledge that a violation of the Denial Order imposed against Suburban Guns (Pty) Ltd. was occurring, ordered and bought from a U.S. company items subject to the Regulations, to be exported from the United States. In so doing, Tatos committed one violation of Section 764.2(e) of the Regulations.

**Charge 5 (15 C.F.R. § 764.2(g) - Misrepresentation and Concealment of Facts)**

On or about October 28, 2004, in the course of a BIS investigation, Tatos made a false representation to an official of BIS. Specifically, Tatos falsely stated in an e-mail communication to a BIS Office of Export Enforcement Special Agent that Suburban Guns (Pty) Ltd. had not imported any items from the United States since the imposition of the Denial Order against Suburban Guns (Pty) Ltd. Based on the facts described above, Tatos' statement to the Special Agent was false. In so doing, Tatos committed one violation of Section 764.2(g) of the Regulations.

\* \* \* \* \*

Accordingly, Tatos is hereby notified that an administrative proceeding is instituted against him pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

Phaedon Nicholas Criton Constan-Tatos  
(a.k.a. Fred Tatos)  
Charging Letter  
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The maximum civil penalty allowed by law of up to \$11,000 per violation;<sup>4</sup>

Denial of export privileges; and/or

Exclusion from practice before BIS.

If Tatos fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. (Regulations, Sections 766.6 and 766.7). If Tatos defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Tatos. The Under Secretary of Commerce for Industry and Security may then impose up to the maximum penalty on each of the charges in this letter.

Tatos is further notified that he is entitled to an agency hearing on the record if Tatos files a written demand for one with his answer. (Regulations, Section 766.6). Tatos is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent him. (Regulations, Sections 766.3(a) and 766.4).

The Regulations provide for settlement without a hearing. (Regulations, Section 766.18). Should Tatos have a proposal to settle this case, he or his representative should transmit it through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Tatos' answer must be filed in accordance with the instructions in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center  
40 S. Gay Street  
Baltimore, Maryland 21202-4022

In addition, a copy of Tatos' answer must be served on BIS at the following address:

Chief Counsel for Industry and Security  
Attention: Thea D. R. Kendler  
Room H-3839  
United States Department of Commerce  
14th Street and Constitution Avenue, N.W.  
Washington, D.C. 20230

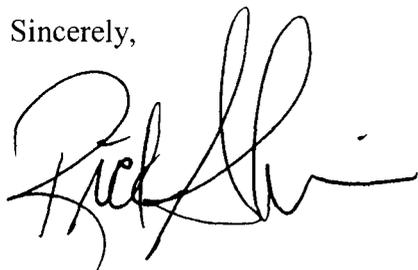
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<sup>4</sup> See 15 C.F.R. § 6.4(a)(1) (2004).

Phaedon Nicholas Criton Constan-Tatos  
(a.k.a. Fred Tatos)  
Charging Letter  
Page 5

Thea D. R. Kendler is the attorney representing BIS in this case; any communications that Tatos may wish to have concerning this matter should occur through her. Ms. Kendler may be contacted by telephone at (202) 482-5301.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Shimon". The signature is fluid and cursive, with a large initial "R" and "S".

Rick Shimon  
Acting Director  
Office of Export Enforcement